

Service Date: January 3, 1975

DEPARTMENT OF PUBLIC SERVICE REGULATION

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

In the Matter of the application of)	
PACIFIC POWER & LIGHT COMPANY for an)	DOCKET NO. 6269
order authorizing it to issue not)	
exceeding 3,500,000 shares of its)	ORDER NO. 4171
Common Stock of the par value of)	
\$3.25 per share.)	

* * * * *

On December 6, 1974, PACIFIC POWER & LIGHT COMPANY, herein-after referred to as Applicant, a corporation organized and existing under and by virtue of the laws of the state of Maine, and qualified to transact business in Montana, filed with the Montana Public Service Commission its verified application, pursuant to Sections 70-117.1 to 70-117.6, inclusive, RCM 1947, requesting an order authorizing Applicant to issue, through negotiations with underwriters, not exceeding 3,500,000 shares of its authorized but un-issued Common Stock of the par value of \$3.25 per share. The application is supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of issuance of securities by electric and gas utility companies operating within Montana.

It is alleged in the application that Applicant is a public utility as defined in Section 70-103, RCM 1947, in that it furnishes electric and water service in Montana; that Applicant's principal executive office is in the Public Service Building, Portland, Oregon, and that its principal Montana

office is in Kalispell; and that Applicant is duly qualified to do business in the states of Montana, Oregon, Washington, California, Wyoming and Idaho. For detailed information with respect to the general character of Applicant's business and the territory served by it, reference is made to its annual reports on file with the Commission.

The securities proposed to be issued are not exceeding 3,500,000 shares of Applicant's authorized but un-issued Common Stock of the par value of **\$3.25** per share (Additional Common Stock). For a description of the Additional Common Stock, reference is made to Description of Common Stock, in Applicant's Registration Statement (Exhibit D).

Applicant has applied to the Federal Power Commission for exemption from the competitive bidding requirements of Section 34.1a of the Commission's Regulations under the Federal Power Act and has received permission from the Federal Power Commission to negotiate with underwriters with respect to the terms and conditions of sale of the Additional Common Stock. Applicant proposes to sell the Additional Common Stock through negotiations with underwriters in accordance with applicable requirements of Section 34.2 of the Federal Power Commission's Regulations unless such application for exemption from competitive bidding requirements is denied, in which case, Applicant will sell the Additional Common Stock at competitive bidding.

Information showing, both per unit and total amount, (a) the price at which the Additional Common Stock is to be offered to the public by the underwriters, (b) the discount at which it is to be sold by Applicant to the underwriters, and (c) the

resulting proceeds to Applicant from the sale of the Additional Common Stock will be supplied as soon as available.

Estimates as to the various items of expense to be incurred in connection with the issuance and sale of the Additional Common Stock are set forth in the application. The total estimated expense in connection with the issuance and sale of the Additional Common Stock is \$115,000.

The estimated net proceeds of approximately \$56,000,000, less expenses of issuance and sale, to be realized from the sale of the Additional Common Stock (assuming the issuance and sale of 3,500,000 shares) will be used to repay short-term notes prior to or as they mature issued pursuant to (a) Applicant's line of credit with certain banks, (b) in the form of commercial paper, as authorized by the Commission's Order No. 4138, dated May 29, 1974, in Docket No. 6227, or (c) pursuant to a Letter Agreement dated March 18, 1974, with certain banks therein named providing for a revolving stand-by loan facility not exceeding \$35,000,000 at any one time outstanding as authorized by the Commission's Order No. 4134 issued March 18, 1974, in Docket No. 6220. Proceeds from the sale of these notes have been and will be used to temporarily finance Applicant's 1974-1975 construction program. It is presently estimated that at the time of the Common Stock closing, the aggregate principal amount of short-term notes outstanding will be about \$119,000,000. Construction expenditures for 1974-1975 are presently estimated at about \$476,000,000 (Exhibit G).

Further permanent financing is to be undertaken by Applicant in 1975, but the amounts and types of securities then to be issued have not yet been determined. For additional

information with respect to the purpose for which the Additional Common Stock is to be issued, reference is made to Use of Proceeds and Construction Program in Applicant's Registration Statement (Exhibit D).

The application sets forth Counsel who will pass upon the legality of the proposed issue, the other regulatory authorizations required and the propriety of the proposed issue.

If exemption from the competitive bidding requirements of the Federal Power Commission's Regulations is made, then Applicant requests that it be authorized to issue and sell the Additional Common Stock in accordance with the terms and conditions to be obtained through negotiations with underwriters without further order or filing with the Commission. Applicant proposes promptly to furnish to the Commission complete information concerning the purchasers or underwriters, terms of proposals received, the name or names of persons submitting proposals and the underwriting agreement. If such exemption is not made, then Applicant proposes to sell the Additional Common Stock pursuant to a Public Invitation for Bids and requests that it be authorized to issue and sell the Additional Common Stock without further filing with the Commission and states that it will promptly furnish the aforesaid information with respect to the results of competitive bidding as soon as available.

Having fully considered the application and all the data and records pertaining thereto on file with the Commission and being fully advised in the premises, the Commission makes the following:

FINDINGS OF FACT

1. That Applicant, Pacific Power & Light Company, is a corporation organized and existing under and by virtue of the laws of the State of Maine and is qualified to transact business in the State of Montana.

2. That Applicant is operating as a public utility as defined in Section 70-103, RCM 1947, and as such is engaged in furnishing electric and water service in Montana.

3. That the Commission has jurisdiction over the subject matter of said application under Sections 70-117.1 through 70-117.6, RCM 1947.

4. That the securities transaction proposed by Applicant, as hereinafter authorized, will be for a lawful purpose and is consistent with the public interest; that the same is necessary, appropriate consistent with the proper performance by Applicant of service as a public utility: and that the aggregate amount of the securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of Applicant.

5. That public notice of the filing of said application and a formal hearing thereon is not required and that the application should be approved as hereinafter ordered.

CONCLUSION

The Commission concludes that the application of Pacific Power & Light Company herein should be granted as hereinafter ordered.

ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its offices at 1227 11th Avenue, Helena, Montana, on January 2, 1975, there being present Chairman Ernest C. Steel and Commissioner Robert E. McTaggart, there regularly came before the Commission for final action, the matters and things in Docket No. 6269, and the Commission being fully advised in the premises;

IT IS ORDERED by the Commission that the application of Pacific Power & Light Company for authority to issue and sell not exceeding 3,500,000 shares of its Common Stock of the par value of \$3.25 per share (Additional Common Stock), pursuant to Sections 70-117.1 through 117.6, inclusive, RCM 1947, and to use the proceeds for the purpose set forth in its application and hereinabove, be, and the same is hereby approved, subject to the provisions of this order.

IT IS FURTHER ORDERED that if exemption from the competitive bidding requirements of Section 34.1a of the Federal Power Commission's Regulations under the Federal Power Act is made, Applicant is authorized to sell the Additional Common Stock through negotiations with underwriters and if said exemption is not made, then Applicant shall sell the Additional Common Stock pursuant to the competitive bidding requirements of the Federal Power Commission's said Regulations; in either case

the sale of the Additional Common stock may be made without further application to or order of this Commission.

IT IS FURTHER ORDERED that Pacific Power & Light Company shall file with the Commission, as promptly as practicable after the sale of the Additional Common Stock, a statement showing the terms and conditions of the negotiated sale, or if the sale is through competitive bidding Applicant shall file a statement showing the names of all bidders, the terms of the several bids, a true copy of the purchase agreements, and, in either case, a copy of the final Prospectus and thereafter copies of all such reports as are required to be filed by Applicant with the Federal Power Commission under applicable rules and regulations of said Commission, as now in effect or as hereafter amended, relating to the issuance, sale and use of proceeds from the sale of the securities herein authorized to be issued by this Commission.

Neither the issuance of securities by Pacific Power & Light Company pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.

The foregoing order was unanimously adopted by the Montana Public Service Commission.

DONE in open session at Helena, Montana, this 2nd day of
January, 1975.

ERNEST C. STEEL, Chairman

ROBERT E. MCTAGGART, Commissioner

ATTEST:

GAIL E. BEHAN
Secretary

(SEAL)